

Campaign Finance in the United States, the United Kingdom, and Canada



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Introduction

Political parties need to generate and capture resources to carry out their functions of administration, voter persuasion, and getting out the vote. Resources can be placed into five broad categories: administrative tools, established networks, labor, media, and money. Today, money is treated as the liquid resource resulting in an increased reliance on capital in campaigns. Because of the central role money, political finance, specifically campaign finance, has come under greater scrutiny and regulation.

The existent body of literature on campaign finance describes differences between systems, the influence money has on elections, and on the likelihood of corruption within a system. However, little research has been done to determine what influences the development of a country's campaign finance regime.

To add to the literature, I compare influences on the formation of campaign finance regimes in the US, the UK, and Canada. At the federal level, each country is filled by the use of the *first past the post system*. Each country has *two dominant parties* competing against each other on the national stage. Despite *basic* similarities, **the countries vary in** the focal point of the campaign, length of the election season, size of the electoral district, level of public funding, and number of federal offices popularly elected.

Research Questions

- The **overall aim** of this research is to determine what influences a country's campaign finance regime. **Two specific research questions** are addressed:
- What influence does the regulatory framework have on the development of a country's campaign finance regime?
 - What influence does the generation of limits have on a country's campaign finance regime?

Methods

While the same *basic electoral forces* are held constant across countries, the remaining structural differences are qualitatively compared to identify how similar electoral structures can produce different campaign finance regimes.

Influences on Regime Construction

- I. Regulatory Framework: The Focal Point of the Campaign
Hypothesis: In candidate centered systems, parties, candidates, and outside organizations are equally regulated. In party centered systems, outside organizations can do very little while parties have a disproportionate amount of power.
Evidence:

Country	Focal Point	Individuals	Candidates	Parties	Outside Organizations
United States	Candidates	Limited Donations	Unlimited Spending on Campaigning; Limited Donation to Peers and the Party	Spend on Campaigning (limits) & Donate Limited Sums to Candidates	Varies: Limited Donations to Unlimited Expenditures
Canada	Parties	Limited Donations	Limited Spending on Campaigning & Unlimited Donation to Peers and the Party	Limited Spending on Campaigning & Unlimited Donations to Candidates	Limited Expenditures
United Kingdom	Parties	Unlimited Donations	Limited Spending on Campaigning & Unlimited Donation to Peers and the Party	Limited Spending on Campaigning & Unlimited Donations to Candidates	Limited Expenditures & Unlimited Donations

- II. Length of the Election Season
Hypothesis: A long election season with a predictable time table should necessitate more money be spent and raised while a shorter unpredictable election season reduces the amount that can be and needs to be raised.
Evidence: The US has the longest election season, Canada the second longest, and the UK the shortest. The expenditures mirror this.

The Cost of a Vote: Expenditures and Turnout			
Election	Total Spent	Voter Turnout	Amount Spent Per Voter
2012 U.S. Election (Total)	\$ 2,776,569,055.00	130,306,739	\$ 21.31
2012 U.S. Election (House)	\$ 1,109,013,161.00	130,306,739	\$ 8.51
2011 Canadian Election	\$ 67,348,040.64	14,823,408	\$ 4.54
2010 U.K. Election	\$ 17,283,480.49	29,594,591	\$ 0.58

- III. Size of the Electoral District
Hypothesis: In a larger district more money, or other resources, must be spent and in a smaller a district less money, or other resources, must be expended in an election.
Evidence: The US has the geographically largest districts, Canada the second, and the UK the smallest. The expenditures mirror this.

Limits on Limits

Whose action is bounded and to what extent he/she is bounded is broadly determined by the inclusion of a right to freedom of speech in a written constitution and the level of political activism of federal judges. The three major boundaries that have been tested have been: expenditure limits, contribution limits, and limits on public funding. **In the US**, where the constitution guarantees the protection of freedom of speech, the Supreme Court has declared limits on contributions to candidates and parties legal and on expenditures unconstitutional. **Canada** also has a federal court and free speech protections in their constitution. However, their constitution includes a balancing rights provision. As a result, limits on both contributions and expenditures are allowed. **The UK** has neither a written constitution nor an active court resulting; as a result, legislators could implement their preferred limit(s) without considering the courts.

Conclusions

Campaign finance regimes in the US, the UK, and Canada appear to be influenced by the existent political structures in each of the country. The two main ways this is done is by structuring the regulatory framework and influencing which limits are set and how they are set. First, the regulatory framework determined by the focal point of the campaign was shown to influence the structure of the various campaign finance regimes. Second, the length of the election season and size of the districts was shown to influence limit setting by dictating size constraints. Additionally, limits are seen to be partially dictated a country's court and constitution.

Despite limitations, this study provides a unique perspective in the literature and a stepping stone to further studies on the formation of campaign finance regimes.

Future Studies

- A greater number and more variable countries should be included to identify what influences remain constant, regardless of the structure of a given democracy.
- Build upon the foundation this study provides by delving further into how and why regulations are passed; and
- Determine whether changes to the regulatory system simply codify informal changes in the system or whether they actually change the regime